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ABSTRACT

The General Accounting Office (GAO) reviewed the labor market links and vocational training performance of the Job Corps, which is an employment and training program aimed at providing severely disadvantaged youth with a comprehensive array of services in residential settings. Data were collected from the following: interviews with Job Corps officials at the regional and national levels; site visits of six "judgmentally" selected Job Corps centers (five established centers and one recently opened center); and data from the Department of Labor's Student Pay, Allotment, and Management Information System. The review established that the Department of Labor is working to ensure the appropriateness of its vocational training to local labor markets through the following activities: industry advisory groups, a school-to-work initiative linking Job Corps with local employers, and involvement of local business and community leaders in deciding which vocational training programs to offer at new Job Corps centers. However, Job Corps-supplied data on program completion rates and participants' ability to obtain training-related jobs remain misleading and continue to overstate program results. (Thirteen tables/figures are included. Appended are the following: notes on scope and methodology, data supporting report figures, comments from Department of Labor, GAO contacts and staff acknowledgments, and related GAO products.) (MN)

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United States General Accounting Office

GAO

Report to Chairman, Subcommittee on Human Resources, Committee on Government Reform and Oversight, House of Representatives

November 1998

JOB CORPS

Links With Labor Market Improved but Vocational Training Performance Overstated

ED 424 427

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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-279218

November 4, 1998

The Honorable Christopher Shays
Chairman, Subcommittee on Human Resources
Committee on Government Reform
and Oversight
House of Representatives

Dear Mr. Chairman:

Job Corps is an employment and training program aimed at providing severely disadvantaged youths with a comprehensive array of services, generally in a residential setting. The Department of Labor spends about $1 billion under this program each year to serve more than 68,000 youths, who, on average, spend about 7 months in the program. On average, the cost per participant is more than $15,000, making Job Corps the nation's most expensive job training program. One of the services that is critical to the program's success is vocational training. Each of Job Corps' 113 centers offers training in several vocational areas, such as automotive trades, health occupations, construction trades, culinary arts, clerical occupations, and building and apartment maintenance. Vocational training services can be provided by Job Corps center staff, private providers under contract to the Job Corps center, or national labor and business organizations under contract with Job Corps' national office.

In the past, we have assessed various aspects of the Job Corps program—outreach, admissions, and placement; costs and results; similarities to state youth training initiatives; and the extent to which the program is locally based.[1] Reflecting your continued interest in the Job Corps program, you requested that we examine Job Corps' vocational training component to describe the program's contracting policies and procedures and to assess contractor performance. Specifically, you asked us to determine how Job Corps ensures that vocational training is appropriate and relevant to employers' needs and the extent to which participants are completing vocational training and obtaining training-related jobs. In addition, you asked us to describe Job Corps'

[1]Job Corps: Need for Better Enrollment Guidance and Improved Placement Measures (GAO/HEHS-98-1, Oct. 21, 1997); Job Corps: High Costs and Mixed Results Raise Questions About Program's Effectiveness (GAO/HEHS-95-180, June 30, 1995); Job Corps: Comparison of Federal Program With State Youth Training Initiatives (GAO/HEHS-96-92, Mar. 28, 1996); and Job Corps: Where Participants Are Recruited, Trained, and Placed in Jobs (GAO/HEHS-96-140, July 17, 1996).

process for contracting with vocational training providers, in particular Labor's use of sole source contracting with national training contractors.[2]

In carrying out our work, we met with Labor officials and reviewed Labor's policies and procedures for contracting for vocational services. We obtained data on program outcomes for Job Corps participants during the period July 1, 1995, to June 30, 1997, the two most recently completed program years.[3] We visited five centers that used a variety of methods to provide vocational training and that served a majority of local participants—those who resided within 100 miles of a center. At these centers, we reviewed participant data on vocational completion status and placement information. In reviewing job training match information, we used reported placement information and the Dictionary of Occupational Titles and called a number of employers to clarify reported information. We visited a sixth center—one that recently opened—to gather information on its experience in deciding which vocational training courses to offer. We performed our work between January and July 1998 in accordance with generally accepted government auditing standards. (App. I contains a more detailed discussion of our scope and methodology.)

Results in Brief

Labor has several activities to foster Job Corps' employer and community linkages to ensure the appropriateness of its vocational training to local labor markets and its relevance to employers' needs. Labor has industry advisory groups that regularly review vocational course curricula to ensure their relevance to today's job market. Labor has also introduced a school-to-work initiative designed to link Job Corps with local employers, combining center-based training with actual worksite experience at more than half the Job Corps centers. In addition, Labor involves local business and community leaders in deciding which vocational training programs to offer at newly established Job Corps centers. Complementing these national efforts, three of Labor's regional offices have developed their own initiatives to improve linkages between Job Corps and local labor markets, including modifying existing vocational offerings to meet local employer needs.

[2]We presented preliminary findings on this work in testimony before the Human Resources Subcommittee of the House Committee on Government Reform and Oversight: Job Corps: Vocational Training Performance Data Overstate Program Success (GAO/T-HEHS-98-218, July 29, 1998).

[3]A program year begins on July 1 of a year and ends on June 30 of the following year. A program year is designated by the year in which it begins. Thus, program year 1996 began on July 1, 1996, and ended on June 30, 1997.

Despite Labor's efforts to increase the effectiveness of its vocational training through employer and community linkages, Job Corps data on the extent to which participants complete vocational training and obtain training-related jobs are misleading and overstate the program's results. Although Job Corps reported that 48 percent of its program year 1996 participants completed their vocational training, we found that only 14 percent of the program participants actually completed all the requirements of their vocational training curricula. The rest of the participants whom Job Corps considered to be vocational completers had performed only some of the duties and tasks of a specific vocational training program. Labor also reported that 62 percent of the participants nationwide who obtained employment found jobs that matched the vocational training received in Job Corps. At the five centers we visited, however, the validity of about 41 percent of the job placements reported by Labor to be training-related was questionable. Examples of questionable training-related job placements include several participants at one center receiving clerical training but reported by Labor as getting jobs as bank tellers at fast food restaurants, retail stores, and a gas station; several participants at another center were trained in health occupations and were reported as getting jobs as information clerks at various restaurants and a car rental agency.

Finally, in looking at how training providers are selected, we found that about a third of Job Corps' vocational training has been provided under sole source contracts awarded to national labor and business organizations for more than 30 years, but in our opinion, Labor has not adequately justified procuring these training services noncompetitively. A principal reason Labor has cited for awarding these contracts on a sole source basis is that these organizations maintain an extensive nationwide placement network and are better able than nonnational organizations to place Job Corps participants who complete their training. Labor has provided no data, however, to show the extent to which these sole source contractors actually place Job Corps participants nationwide.

In light of our work, we are recommending to the Secretary of Labor actions to more accurately assess Job Corps' accomplishments and adequately justify the use of sole source contracts for vocational training.

Background

Job Corps was established as a national employment and training program in 1964 to address employment barriers faced by severely disadvantaged youths. Job Corps enrolls youths aged 16 to 24 who are economically

disadvantaged, in need of additional education or training, and living under disorienting conditions such as a disruptive homelife.[4] In program year 1996, nearly 80 percent of the participants were high school dropouts and almost two-thirds had never been employed full-time. Participating in Job Corps can lead to placement in a job or enrollment in further training or education. It can also lead to educational achievements such as attaining a high school diploma and improving reading or mathematics skills.

Job Corps currently operates 113 centers throughout the United States, including Alaska, Hawaii, the District of Columbia, and Puerto Rico. Major corporations and nonprofit organizations manage and operate 85 Job Corps centers under contractual agreements with Labor. Contract center operators are selected through a competitive procurement process that takes into account proposed costs, an operator's expertise, and prior program performance. In addition, the U.S. Department of the Interior and the U.S. Department of Agriculture operate 28 Job Corps centers, called civilian conservation centers, on public lands under interagency agreements with Labor. Each center provides participants with a wide range of services, including basic education, vocational skills training, social skills instruction, counseling, health care, room and board, and recreational activities.

One feature that makes Job Corps unique is that, for the most part, it is a residential program. About 90 percent of the youths enrolled each year live at Job Corps centers and are provided services 24 hours a day, 7 days a week. The premise for boarding participants is that most come from a disruptive environment and, therefore, can benefit from receiving education and training in a different setting where a variety of support services is available around the clock. The comprehensive services Job Corps provides make it a relatively expensive program. According to Labor's program year 1996 figures, the average cost per Job Corps participant was more than $15,000. Cost varies according to how long Job Corps participants remain in the program. Participants stay in the program for an average of about 7 months but may stay as long as 2 years. Labor estimates the cost for a participant who remains in the program for a year to be about $25,000.

Vocational training is a critical element of the Job Corps program. This training is designed to offer individualized, self-paced, and open

[4]Although the act includes 14- and 15-year-old youths in the age criteria, Job Corps regulations provide that youths 14 and 15 years of age may be eligible "upon a specific determination by the program director to enroll them."

entry-open exit instruction to allow participants to progress at their own pace. Vocational training can be provided in any combination of three ways. Most vocational training is offered by instructors who are Job Corps center staff. Other vocational courses are taught by private providers under contract to the center. These private providers typically include vocational schools and community colleges. About a third of the vocational training expenditure is provided by national labor unions and business organizations under sole source contracts with Labor. In program year 1996, Job Corps' operating costs totaled about $986 million, of which $144 million, or about 15 percent, was for vocational training (see table 1).

Table 1: Job Corps Operating Costs for Program Year 1996

Expense category	Amount (millions)	Percentage of total
Student training costs	$424.7	43.1
Basic education	72.6	7.4
Vocational training	144.0	14.6
Social skills training	208.1	21.1
Supportive services	378.0	38.3
Outreach and intake	41.4	4.2
Transportation	14.5	1.5
Meals and lodging	146.6	14.8
Allowances	81.6	8.3
Workers compensation benefits	4.5	0.5
Medical care	56.4	5.7
Placement and settlement	32.9	3.3
Administration	183.1	18.6
Total	**$985.8**	**100.0**

Source: Job Corps Annual Report, Program Year 1996, Department of Labor, Employment and Training Administration.

Overall, Job Corps offers training in 100 different vocations. Although the number of vocations offered at any one Job Corps center varies, most centers offer training in 7 to 10 different vocations. Some centers, however, offer training in as few as 5 vocations while others offer training in as many as 31 different vocations. Some vocations are available at most centers, while others are available at only a single center. For example, more than 80 percent of the centers offer training in business clerical, culinary arts, building and apartment maintenance, and carpentry. Thirty-one vocations, including computer programmer, asphalt paving,

barber, teacher aide, and cable TV installer, are offered only at a single center.

Many centers also offer off-site advanced career training at such institutions as vocational schools, community colleges, and universities for participants who have been in the program for at least 6 months. Regardless of who provides the training, Job Corps policy requires that all vocational training programs use competency-based curricula that contain a series of skills, or competencies, that participants must attain. According to Labor officials, each vocational training program's curriculum and set of required skills are regularly reviewed and updated by industry advisory groups consisting of business, industry, and training providers.

Labor uses a series of nine measures to report on the performance of the program nationally and to assess the performance of individual Job Corps centers. The measures relate to placement—in a job, in education, or in military service—learning gains in mathematics and reading, earning a general equivalency diploma certificate, completing vocational training, placement in a job related to the training received, and placement wage. In program year 1996, Job Corps reported that 80 percent of the participants leaving the program were placed—70 percent in jobs or the military and 10 percent enrolled in education—and 62 percent of those who were placed in jobs or the military obtained a job related to their training. Job Corps also reported that 48 percent of those who left the program completed vocational training.

Labor's Initiatives Enhance the Appropriateness and Relevancy of Vocational Training

Labor has several activities to improve Job Corps' employer and community linkages to ensure that vocational training is appropriate for local labor markets and relevant to employers' needs. These efforts include initiatives enacted by Job Corps' national office and regional offices, as well as efforts by individual Job Corps centers.

National Initiatives Recognize Need for Employer Involvement

Since 1984, Labor has used industry advisory groups to review vocational course curricula to ensure that course content is relevant to the job market. Each year, Labor selects a number of vocational offerings for review by an Industry Advisory Group consisting of Job Corps instructors and academic program representatives as well as industry representatives from each vocational offering being reviewed. For example, recent industry representatives included computer operators and repair

technicians, electronic assemblers, diesel and heavy equipment mechanics, health occupation workers, material handlers, tile setters, and clerical workers. The Industry Advisory Group recommends to Labor changes to Job Corps' vocational training curricula, materials, and equipment. Vocational offerings are evaluated and updated on a 3-to-5-year cycle dictated by industry changes and the number of students participating in each vocational training program.

In program year 1995, Labor introduced a school-to-work initiative at three Job Corps centers combining center-based training with actual worksite experience related to it. Labor expanded this initiative to an additional 30 centers in program year 1996 and to 30 more centers in program year 1997. Labor provided financial incentives and supportive services to encourage centers to participate in the school-to-work initiative. According to Labor officials, the school-to-work initiatives have resulted in extensive partnerships being established between the centers, area businesses, and local school systems. Through these partnerships, employers are providing worksite learning experiences, suggesting approaches for integrating curricula, developing assessment criteria for documenting skill mastery, and participating in career exposure activities. At one school-to-work Job Corps center that we visited, 35 participants from program year 1996 were involved in this initiative and all were placed—32 had jobs, 2 returned to school, and 1 joined the military. Furthermore, 70 percent of the jobs were directly related to the vocational training received in Job Corps.

Labor also involves local business and community leaders in deciding which vocational training programs are to be offered at newly established Job Corps centers. For example, at the new center we visited, we found that 2 years prior to the awarding of the center's contract, decisions on the vocations to be offered were made with input from local business and community leaders, including representatives of the mayor's office, the private industry council, the school department, and local businesses.[5] The result was that this center does not offer many of the traditional Job Corps vocational programs, such as clerical, culinary arts, landscaping, and building and apartment maintenance. Instead, it has nine vocational areas in such high-demand occupations as medical assistant, phlebotomy and EKG technician, and computer repair. At another new center, Labor officials stated that local labor market information along with input from

[5]Under the Job Training Partnership Act of 1983, a private industry council, comprising representatives of private sector employers, local education agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public service employment agency, is appointed by local elected officials of each service delivery area and approves a job training plan designed to meet local employment and training needs.

local community and business leaders, including the local private industry council, union representatives, local school system, health groups, and chamber of commerce, ensured that the vocational training courses offered at that center would be appropriate and current given the local economy.

Labor officials also informed us that changes to vocational training offerings at existing centers result from changes in labor market demand or poor performance of a particular vocational training program. Centers obtain approval for a change by completing the appropriate paperwork for a request for change and submitting it to either the regional office (if the change involves a center-operated or center-contracted vocational offering) or the national office (if the change involves a vocational course offered by a national labor union or business organization). Labor then assesses the request to change course offerings and reviews the placement analyses, wages reported, female participation rate in the course, local labor market information, and facility requirements. In addition, Labor requires the center to obtain statements from three employers stating that the vocational change is appropriate and relevant. All five of the centers we visited had recently made changes to their vocational course offerings. For example, one center added a physical therapy course after receiving numerous requests from clinics and hospitals within the community. The center was able to add this course by dropping a cosmetology course. Another center identified a local demand for qualified workers in retail sales and tourism. The center added training in these vocations while reducing the size of its clerical training program.

Regional Job Corps Initiatives Expand Employer Relations

In addition to national efforts, three of Labor's regional offices have developed their own initiatives to improve linkages between Job Corps centers and employers. In one region, business leaders representing a variety of industries met with Labor and center staff to provide observations of the program and the participants they hire. The group—a business roundtable—set up a framework for obtaining employer input into the operation of the Job Corps program for the benefit of young people, employers, community leaders, and the Job Corps system nationwide. In an effort to bridge the gap between the needs of private industry and vocational training, the roundtable recommended actions and supported the implementation of new strategies to resolve employer issues that it identified and prioritized. As a direct result of this roundtable, concrete linkages were established. For example, a bank involved as a school-to-work program participant provided equipment and

instructors to incorporate bank telling into the center's clerical program. According to Labor officials, the initiative was successful, and the regional office is currently exploring the possibility of duplicating this effort in several other Job Corps centers. At another center within the region, an electronics firm reviewed the center's electronics curriculum and suggested additional skills allowing program participants to qualify for higher-paying jobs.

Another region has endorsed a major initiative between a Job Corps center and the Q-Lube Corporation whereby a building at the center was renovated to exactly meet the specifications of a Q-Lube facility. The renovation used student painters and carpenters from other vocational training courses and Job Corps provided additional funding for this course. Q-Lube donated the equipment to the center and also provided a trained instructor. The course offering is identical to the program curriculum Q-Lube teaches at non-Job Corps sites. According to Labor officials, since the implementation of this initiative, Q-Lube has become a major employer and training link within the region.

The same regional office contacted a shipbuilding company advertising for 500 shipbuilders and worked with the company to develop a vocational training program in welding for Job Corps students that would be appropriate and relevant to the company's needs. The company provided the two pieces of equipment needed for training purposes. Students were trained at the Job Corps center under conditions similar to those in the shipbuilding environment, tested by the company, and then provided additional training at the shipbuilding site. In addition, the company provided low-cost housing and full salary to students who passed the test before graduating from the center. The company was pleased with the students' qualifications, attitudes, and work ethics and requested that the Job Corps program train another 100 students. The region is currently recruiting and training students for this vocation in an attempt to further meet the needs of the shipbuilding industry.

A third regional office is involved in a project to increase the involvement of employers in all facets of Job Corps operations in their region, including curriculum development, customized training, work-based learning, mentoring, identifying workforce needs, and donating staff resources and equipment. The goal of this outreach campaign is to build substantial relationships between Job Corps and the employer community at several different but mutually supportive levels: center, state, regional, and national. Labor selected a contractor through a competitive process,

assisted by several national groups, to research, test, and revise its proposed strategy for increasing employer involvement within the region. Initially, the project concentrated on three centers in different states within the region. The project will soon expand to include all states and Job Corps centers within the region. If successful, the project will be expanded throughout the Job Corps system.

Local Job Corps Centers Develop Their Own Linkages

Job Corps centers have also independently established linkages with employers. These linkages include negotiating with employers to provide furniture and vocational training equipment and contracting with employers to train and hire program participants. For example, at one center a national employer has donated computers, copy machines, desks, chairs, and conference tables valued at approximately $50,000. At another center, an automobile maker has donated a four-wheel-drive sport utility vehicle for students in the auto repair vocational training course in an attempt to make the training more relevant to the vehicles that students would actually be working on. The center is currently working with the automobile maker to donate a car for the same purpose. Local automobile dealers are familiar with the center's linkages to the national automobile maker and also have donated cars needing repair. In addition, local automobile dealers have trained students through the school-to-work program and have hired many of the Job Corps program participants.

Another center holds monthly employer relations meetings in which approximately 200 local employers and community representatives attend a luncheon catered by the center's culinary arts students. Speakers discuss local employment opportunities and donate funds to benefit Job Corps participants. The funds, which are managed by the center's Community Relations Council, are used to provide tuition scholarships for program graduates continuing their education upon completion from the center. The scholarships range from $500 to $1,000 each and are awarded to program graduates who have pursued excellence and attained a higher measure of success than their fellow program participants. To date, about $10,000 has been raised for scholarships.

A fourth center established an effective business relationship with a computer graphics firm in California. According to center officials, 31 Job Corps students enrolled in various vocational training programs, including building and apartment maintenance, clerical, electrical, and landscaping; participated in 12-week internships at the computer firm; and attended an anger management course that had been developed for the firm's

employees. These students earned $10 per hour within a work-based environment in which the firm's staff provided on-the-job training and mentoring. The center placement official claims that the success of the internship program is evidenced by the 28 students who obtained primarily training-related jobs after terminating from the Job Corps program.

Two Job Corps Program Measures Are Misleading and Overstate Program Success

Two performance indicators that Labor uses to evaluate Job Corps' success are misleading, overstating the extent to which vocational training is completed and job placements are training-related. Labor reports that nationwide about 48 percent of all program participants complete their vocational training and that about 62 percent of the jobs obtained by program participants are related to the training they received. However, we found that nationally only about 14 percent of the program participants satisfied all their vocational training requirements and that about 41 percent of the reported training-related job placements at the five centers we visited were questionable. Having complete and accurate program performance information is important to evaluating program success and being able to identify areas needing improvement.[6]

Vocational Completion Does Not Mean Vocational Training Was Completed

Nationally, Job Corps reported that in program year 1996, 48 percent of its participants completed vocational training. This information is misleading. We found that only about 14 percent of the program year 1996 participants actually completed all the required tasks of their vocational training programs. Job Corps' national data system uses three categories to identify a participant's level of vocational training progress: trainee, completer, and advanced completer. A trainee is a participant who has not completed any vocational training component, a completer has accomplished at least one component of a vocational program, and an advanced completer has fully satisfied all required components of a vocational training program. Labor considers participants in the last two categories to be vocational training completers. Thus, Job Corps vocational completion statistics include participants who have only partially completed the required skills of a vocational training program.[7]

[6]In GAO/HEHS-95-180, June 30, 1995, we also questioned the validity of 15 percent of the reported placements we sampled at six centers.

[7]Placement in a job is not dependent on a participant's completing any of the required skills of a vocational training program. Job Corps requires placement contractors to assist all participants with placement, regardless of how long they were in the program or the reason they left.

Each Job Corps vocational training program has a comprehensive list of duties and tasks that participants are expected to perform. For example, the clerical vocational training program has 140 duties and tasks that must be mastered to fully complete the program, food service has 109, building and apartment maintenance has 123, and carpentry has 75. Vocational training programs, however, can be divided into several components. For example, in food service, the first component entails making a sandwich and preparing a salad (covering 39 of the 109 tasks). The second component adds preparing breakfast dishes; heating convenience foods; preparing meats, poultry, fish, and pasta; and cooking vegetables. The final component adds preparing soups, sauces, and appetizers as well as food management skills, such as preparing a menu, setting a table, developing a food preparation schedule, and conducting safety inspections.

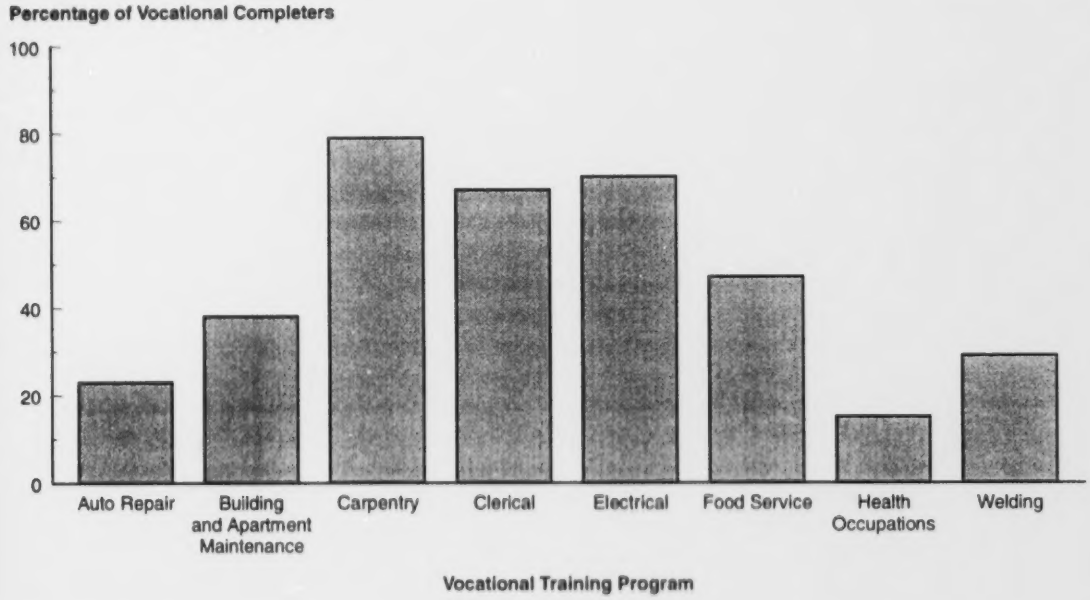
Vocational training instructors assess participants' performance for each duty and task, and Job Corps policy permits participants to be classified as vocational completers if they accomplish the duties and tasks associated with any one component of the vocational training program—regardless of whether they can perform all the duties and tasks required in the entire vocational training curriculum. Depending on the vocation, the percentage of tasks that a participant must accomplish to be considered a completer range from virtually all, as in the health occupations program, to about a quarter, as in the welding program (see table 2).

Table 2: Tasks Participants Must Accomplish to Be Considered Vocational Completers in Selected Vocational Training Programs

Vocation	Number of tasks to fully complete training	Minimum number of tasks required of a completer	Percentage of total tasks
Health occupations	189	179	95
Electrical	79	56	71
Painting	50	32	64
Auto repair	59	36	61
Carpentry	75	42	56
Building and apartment maintenance	123	64	52
Clerical	140	67	48
Landscaping	167	71	43
Bricklaying	64	26	41
Food service	109	39	36
Welding	128	36	28

Thus, Job Corps policy allows participants to be classified as vocational completers if they can perform some portion of a required curriculum. For example, in the food service vocational training program, accomplishing just the tasks associated with the salad and sandwich making component would qualify a participant as a vocational completer. At the centers that we visited that had a food service program, nearly half of the reported vocational completers had completed only this first component. Similarly, nearly 80 percent of the vocational completers in the carpentry program at five centers completed only the first of three components. In contrast, about 15 percent of the vocational completers of the centers' health occupations program completed only the first of two components (see fig. 1). Overall at the five centers, 43 percent of the vocational completers completed only the first component of their vocational training programs.

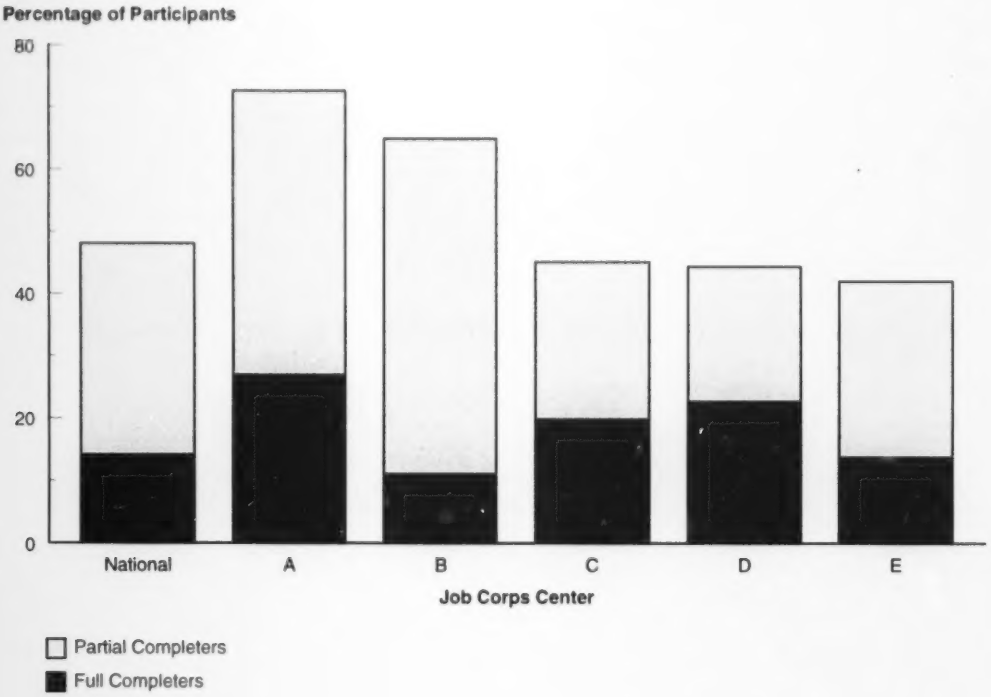
Figure 1: Vocational Completers Who Completed Only the First Component of Their Training for Selected Vocations at Five Centers



The reported percentage of vocational completers at the five centers we visited substantially overstated the percentage of participants who fully

completed their vocational training programs. At these centers, about 51 percent of the 3,500 participants were considered to be vocational completers. However, only about 18 percent completed all their vocational training requirements. As shown in figure 2, the percentage of program year participants fully completing vocational training programs ranged from about 11 percent at one center to about 27 percent at another center. Nonetheless, these two centers had reported vocational completion rates of 65 percent and 73 percent, respectively.

Figure 2: Reported and Full Completion Rates for Vocational Training Nationwide and at Five Job Corps Centers for Program Year 1996



Closer examination of the participants who completed only the first component of their vocational training program showed that many spent a short period of time—less than 90 days—enrolled in vocational training. At

the five centers that we visited, nearly 15 percent of the participants who had completed the first component of their vocational training spent fewer than 90 days in training. This ranged from about 9 percent at one center to about 20 percent at another center.

Job Training Match Statistics Are Not Meaningful

Labor reported that in program year 1996, 62 percent of participants placed in employment found jobs that matched the training they received in Job Corps. Our review of this information at the five centers we visited, however, suggests that this report substantially overstates the program's accomplishments. We found that the validity of about 41 percent of the reported job training matches at these centers was questionable.

In a previous report, we expressed concern with Labor's methodology for identifying training-related placements.[8] We concluded that Labor gave its placement contractors wide latitude in deciding whether a job was a job training match and identified many jobs that appeared to bear little, if any, relationship to the training received. We also noted that placement contractors used some creativity when reporting job titles in order to obtain a job training match. Labor questioned the accuracy of claims made by placement contractors that job training matches could be obtained for participants trained as bank tellers, secretaries, and welders who obtained jobs in fast food restaurants.

In checking reported job training match information, we reviewed all reported training-related job placements at the five centers we visited to assess the validity of reported job training matches. We verified the results by contacting a representative sample of employers who had hired the Job Corps participants.[9] In this process, we questioned a significant number of the claimed matches. We questioned job training matches because either a job title did not seem appropriate for the employer listed (such as bank teller at a fast food restaurant) or the job title did not seem to relate to the vocational training (such as a job as an information clerk at a car rental agency after training as a home health aide). We then interviewed a random sample of 183 employers who hired Job Corps participants whose job placement was listed as related to the vocational training they received

[8]GAO/HEHS-98-1, Oct. 21, 1997.

[9]We identified 598 questionable job training matches at the five centers. We contacted a random sample of 183 of the listed employers to verify information about the reported job placement and used the results of this sample to estimate the number of questionable matches. We estimate, at the 95-percent confidence level, that between 519 and 563 job training matches are questionable at the five centers.

but that we questioned.[10] Table 3 shows additional questionable examples of jobs reported as being training-related.

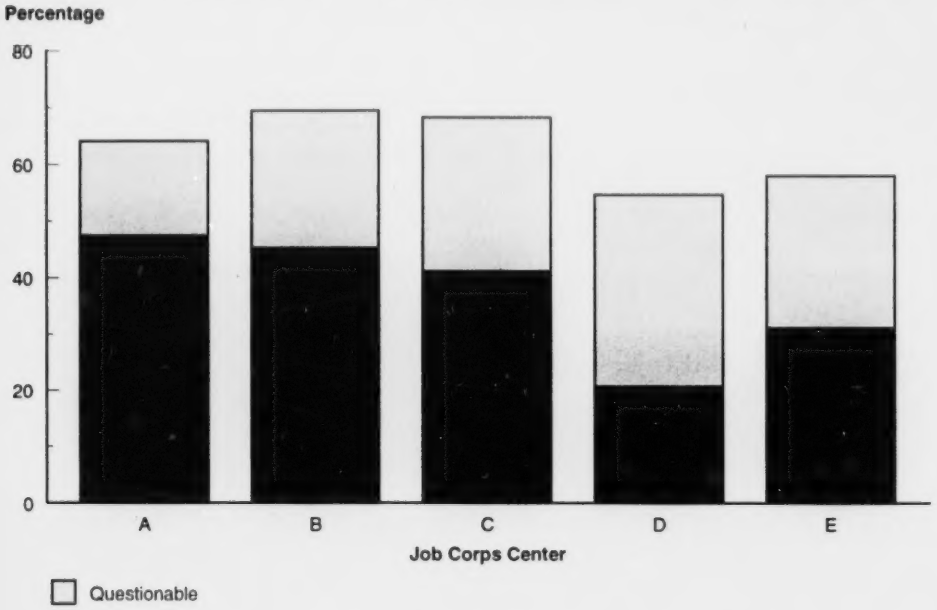
Table 3: Examples of Reported Job Training Matches We Questioned

Vocational training	Placement job	Employer
Accounting	Bank teller Linen room attendant	Cable Car Cleaners Sheraton Hotel
Auto repair	Detailer Wash boy	Vintage Car Wash Mesa Ford
Bricklaying	Janitor Material handler	Waffle House Roger's Supermarket
Carpentry	Municipal maintenance worker Stone polisher	Piggly Wiggly's grocery store Ro-An Jewelers
Clerical	Bank teller Cashier	McDonald's Dunkin Donuts
Diesel mechanic	Laundry machine washer Stock checker	Elks Lodge K-Mart
Electronic assembly	Car wash attendant Machine cleaner	Vintage Car Wash Baskin-Robbins
Food service	Housekeeper Personal attendant	Pilar De La Torre Consuelito's Boutique
Home health aide	Appointment clerk Information clerk	Vision Dry Cleaning Alamo Car Rental
Hotel or motel clerk	Fast food worker Ticket seller	McDonald's Regal Theaters
Medical assistant	Information clerk Sanitarian	Delia's Restaurant Wendy's
Painting	Janitor Material handler	McDonald's Federal Express
Plumbing	Assembler Material handler	Sealy Mattress UPS
Welding	Material handler Utility worker	Popeye's Chicken KC Pools

At the five centers we visited, we questioned 598 of the 1,306 reported job training matches. The percentages of these questionable job training matches ranged from about 30 percent at one center to about 64 percent at another center (see fig. 3).

[10]We also question Job Corps' policy of providing an automatic job training match for any individual enlisting in the military, regardless of the assigned duties. At the five centers, military enlistments accounted for about 5 percent of the reported job training matches, although at one center about 13 percent of the reported job training matches were for military enlistments. However, we did not include these reported job training matches in our questionable category.

Figure 3: Reported and Questionable Training-Related Job Placement Rates at Five Job Corps Centers



Note: Reported rates are the full bar heights.

Our discussions with employers yielded examples of jobs that, on the surface, were related to the training received, based on the reported job title, but were actually quite unrelated to this training. For example, one participant trained in welding was reported as obtaining a job as a welding machine operator at a temporary agency, but the employer informed us that this individual was actually hired to shuttle vehicles between airports. Another participant trained in auto repair was reportedly hired as a petroleum and gas laborer but was actually hired to clean residential homes. A third participant received clerical training and was reportedly hired as a sales correspondent but actually sorted bad tomatoes from good ones on a conveyor belt. All three of these Job Corps participants, therefore, were erroneously reported as having been placed in jobs related to their training.

Labor's monitoring of reported job training matches appears to be inadequate. Labor officials stated that Job Corps' regional offices are responsible for monitoring all aspects of placement contractor performance but that there is no fixed schedule for such monitoring. They stated that regular desk reviews of all placement forms, for both accuracy and completeness, takes place as part of the process for paying vouchers submitted by placement contractors. Our findings suggest that there is reason to question whether this procedure is adequate to ensure that reported information is accurate.

Labor's Justification for Sole Source Contracting Is Inadequate

Labor has contracted with national labor and business organizations under sole source arrangements for more than 30 years. About a third of Job Corps' vocational training is provided by such organizations contracted under sole source arrangements. Although Labor has failed to provide adequate support to justify sole source procurement for vocational training, it has nine sole source contracts with national labor and business organizations, totaling about $46 million (see table 4).

Table 4: Labor's National Training Contractors

Contractor	Year of initial award	Latest award (millions)	Number of training slots
AFL/CIO Appalachian Council	1974	$4.2	542
Home Builders Institute	1974	13.5	4,090
International Brotherhood of Painters and Allied Trades	1969	4.1	1,280
International Masonry Institute	1971	3.5	910
International Union of Operating Engineers	1966	2.5	450
National Plasterers and Cement Masons International Association	1970	5.3	1,440
Transportation-Communication International Union	1972	4.2	380
United Brotherhood of Carpenters and Joiners of America	1968	6.3	2,260
United Auto Workers	1978	2.5	396
Total		**$46.1**	**11,748**

Federal procurement regulations require several conditions to be met for an agency to award a noncompetitive contract. These include (1) establishing the need for services that can be provided by only one source, (2) documenting through a market survey or on some other basis that no other known entity can provide the required services, and

(3) stating a plan of action the agency may take for removing barriers to competition in the future.

Labor has offered three broad considerations in justifying its sole source awards rather than using competitive procedures in contracting with the national training contractors. The first is the contractors' past relationship with Job Corps—that is, experience with Labor's Employment and Training Administration, in general, and with Job Corps specifically and thorough knowledge of Job Corps' procedures and operations. The second is organizational structure—that is, a large nationwide membership related to a trade and their strong relationship with national and local apprenticeship programs. The third is instructional capability—that is, a sufficiency of qualified and experienced instructors, the ability to provide training specifically developed for the learning level of Job Corps students, and the ability to recognize training as credit toward meeting the requirements of becoming a journey-level worker. In addition, Labor officials stated that a main reason it contracts on a sole source basis is that the contractors maintain an extensive nationwide placement network.

With regard to Labor's long-standing practice of awarding sole source contracts for a portion of Job Corps' vocational training, our review of Labor's current and proposed justification for its sole source contracts and our previous work on this issue raise questions about their use.[11] Labor's sole source justification essentially lists the qualities Labor expects in a contractor. It does not establish that the services contracted for can be provided by only one source. Furthermore, Labor acknowledged that its national data system has no information to indicate the extent to which national training contractors are directly responsible for placing Job Corps participants in jobs. Labor's proposed justification for upcoming contracts has many of the weaknesses of the current justification.

Conclusions

Job Corps is an expensive job training program that provides comprehensive services to a severely disadvantaged population. For more than 30 years, Job Corps has been assisting young people who need and can benefit from an unusually intensive program, operated primarily in a residential setting. Labor and the Congress need meaningful and accurate information if they are to effectively manage and oversee the Job Corps program. However, our work raises serious questions regarding Labor's claims about Job Corps' achievements. Labor's reporting on the percentage of participants who are vocational completers includes many

[11]GAO/HEHS-95-180, June 30, 1995.

who have not actually completed their training; many have completed only one component of a vocational training program. Similarly, Labor's reported statistics on the percentage of jobs obtained by participants that were related to the training they received are inaccurate. Reported job training matches include a significant number of jobs that have no apparent relationship to the training received and whose job titles have no apparent relationship to the employers' business.

In addition, Labor has continued its long-standing practice of awarding sole source contracts for a substantial portion of Job Corps' vocational training—a practice we suggested it re-evaluate in 1995. To date, Labor has not provided adequate support to justify sole source procurement for vocational training services provided by the nine national labor and business organizations. Labor's justification for sole source procurement does not explain or demonstrate the basis for Labor's determination of need.

Recommendations to the Secretary of Labor

Improvements are needed to ensure that the information used to assess Job Corps program performance is accurate and meaningful. Specifically, two of the measures used to judge the success of the Job Corps program—vocational completion and job training match—provide misleading information that overstates program outcomes. Therefore, we recommend that the Secretary of Labor

- more accurately define and report information on the extent to which program participants complete vocational training and
- develop a more accurate system of reporting training-related jobs and effectively monitor its implementation.

In addition, because Labor has not presented adequate justification for its long-standing practice of contracting on a sole source basis with nine national labor and business organizations for vocational training, we recommend that the Secretary of Labor properly justify its use of noncompetitive procedures if it is to continue to award contracts for vocational training services. In so doing, the agency should assess whether vocational training could be served as well through contracts competed for locally or regionally.

Agency Comments

In comments on a draft of this report, Labor expressed concern about our conclusion that two performance measures—vocational training

completion and job training matches—overstated Job Corps' success and misrepresented its accomplishments. Nevertheless, Labor agreed to implement our recommendations for improving the information provided by these two measures.

Labor emphasized that it did not intend to overstate Job Corps program performance in any area. Labor further noted that it places strong emphasis on performance results and data integrity and is therefore concerned about the findings contained in the report. With regard to vocational training completion, Labor stated that it was never its intention that all students master all competencies on an occupation's training achievement record. Instead, a set of competencies for each occupational area was developed by Labor, together with industry groups, to identify appropriate competency levels needed to qualify for particular occupations. For example, Labor noted that to qualify as a full mechanic would require completion of all competencies in the automotive area, but a participant could qualify as a mechanic's helper or brake repair mechanic by completing a subset of the full automotive training achievement record. Labor also noted that even though vocational completion may be an imperfect measure, it is a good predictor of placement, job training match, and wages. However, Labor stated that it understood and shared our concern that the terminology used to report this information may be subject to misinterpretation. Therefore, Labor said that it would take immediate action to clarify the definition of vocational completion in all subsequent Job Corps publications. In addition, Labor noted that because of the perspective gained through the recent oversight hearings and our report, it would review the extent to which the current definition may provide insufficient incentive to some students to obtain the maximum amount of training within the vocational training program. Labor noted that in direct response to these issues, it has initiated a comprehensive and detailed analysis of vocational completion and stated that it will develop a more precise and comprehensive description of student completion levels.

We believe that the actions Labor is taking to more clearly identify what it means by a vocational training completer will avoid future confusion about what is being reported. The actions will also clarify that it is not Labor's intent to have all Job Corps participants complete all aspects of a vocational curriculum but, rather, to complete to a level that is appropriate for each individual. Such levels, as Labor noted, would correspond to industry-agreed competencies that would qualify a participant for a specific job. In addition, as Labor clarifies and refines its measures, it is

likely that more will be learned about the relationship between completing various levels of a vocational program and the degree of success a participant achieves. This is an important aspect of monitoring performance and could lead to program improvements.

Regarding job training matches, Labor stated that it shares our concern about the validity of some of the matches identified in the report. Labor noted that it is currently changing to a different system for determining job training matches that will make the determination more manageable and easier to oversee. This new system is expected to be fully implemented by the close of this calendar year. In addition, Labor stated that it is developing more stringent quality control and oversight procedures to preclude questionable matches.

We believe Labor's proposed improvements to its assessment of whether job placements are related to the participants' training and the monitoring of the reporting of these data will improve the validity and utility of this information.

Regarding Labor's use of sole source contracting with nine national labor unions and business organizations, Labor disagreed that it needed to do more to properly justify its use of noncompetitive procedures and expressed its belief that Job Corps' training programs could not be served as well through locally or regionally competed procurements. Labor asserts that participants leaving national training contractor programs consistently achieve better outcomes, such as higher wages, than other participants. Labor also points out that it has received negligible responses to the last two invitations for interested organizations to submit capability statements for the administration and operation of vocational training programs and placement activities currently operated by national organizations. Labor contends that the continued strong performance of its sole source contracts and the lack of response to its attempts to solicit other qualified providers properly justify its decision to use noncompetitive procedures. Labor identified some changes, however, including that it will require the national contractors to report monthly on the number of participants who are placed directly into jobs and apprenticeships, and it has established higher performance standards for national training contractors.

We continue to believe that Labor has not adequately justified its use of sole source contracts. Labor has been unable to determine the extent to which national training contractors are responsible for placing

participants and thus for their reported better performance. However, Labor's new requirement for these contractors to report on their placements should improve Labor's ability to assess their performance. From our review of Labor's last two invitations for organizations to submit capability statements for the administration and operation of vocational training programs and placement activities, we conclude that the agency did not clearly state the goods and services required and was overly restrictive with respect to contractor qualifications. Thus, we believe that the two published invitations Labor cites were inadequate to inform potentially capable entities of an opportunity to compete or to afford them a reasonable opportunity to provide credible responses. As a result, Labor has not determined the availability of other potential sources and, therefore, has not properly justified its use of noncompetitive procedures.

In addition, Labor suggested two points of technical clarification regarding the approval process that Job Corps centers use to change vocational offerings and the involvement of the national office in an employment initiative in one Job Corps region. We modified the report where appropriate. (Labor's entire comments are printed in app. III.)

We are sending copies of this report to the Secretary of Labor, the Director of the Office of Management and Budget, relevant congressional committees, and others who are interested. Copies will be made available to others on request.

If you or your staff have any questions concerning this report, please call me at (202) 512-7014 or Sigurd R. Nilsen at (202) 512-7003. Major contributors to this report are listed in appendix IV.

Sincerely yours,

Carlotta Joyner

Carlotta C. Joyner
Director, Education and Employment Issues

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Scope and Methodology

We designed our study to collect information on the process the Department of Labor uses to obtain vocational training services for the Job Corps program and to identify efforts to ensure that vocational training is appropriate and relevant. We also sought to determine the extent to which program participants were completing their vocational training and obtaining jobs related to that training upon leaving the program. In doing our work, we interviewed Job Corps officials at the national and regional levels and conducted site visits at six judgmentally selected Job Corps centers—five established centers and one recently opened center.

We augmented the information collected during the site visits with data from Labor's Student Pay, Allotment, and Management Information System, a database containing nationwide information on all Job Corps participants. We analyzed information on Job Corps participants enrolled in program years 1995 and 1996, the two most recently completed program years for which data were available from this database. We did not, however, verify these data.

We also administered a telephone survey to employers of a random sample of Job Corps participants who were reported as obtaining jobs that were related to the training they received in Job Corps but that we believed were questionable. We performed our work between January and July 1998 in accordance with generally accepted government auditing standards.

Site Visits

We visited six centers that used a variety of methods to provide vocational training and that served a majority of local participants—those who resided within 100 miles of a center.

Table I.1: Job Corps Centers We Visited

Labor region	Job Corps center	Location	Contractor
I	Westover Job Corps Center	Chicopee, Mass.	The EC Corporation
II	Edison Job Corps Center	Edison, N.J.	Res-Care, Inc.
IV	Gulfport Job Corps Center	Gulfport, Miss.	Resource Consulting, Inc.
IV	Memphis Job Corps Center	Memphis, Tenn.	MINACT, Inc.
VI	David L. Carrasco Job Corps Center	El Paso, Texas	Texas Educational Foundation
IX	San Jose Job Corps Center	San Jose, Calif.	Career Systems Development Corporation

At these centers, we interviewed center directors and other relevant staff on vocational training activities, school-to-work efforts, and business and community relations. At five of the centers, we also reviewed participant data on vocational completion status and placement information.[12] Using the Dictionary of Occupational Titles and reported placement information, we compared the jobs participants reportedly obtained with the training they received to determine whether the jobs and training were related. We also contacted a random sample of 183 employers to clarify reported job information.

Employer Survey

At each of the five established centers, we reviewed placement information for every participant reported as having a job training match. The total number of reported job training matches ranged from 214 at one center to 369 at another center, for a total of 1,306. We classified each reported job training match into one of three categories: (1) good match, (2) questionable match, and (3) military. We considered all jobs listed in category 3 as being good matches. Using the Statistical Package for the Social Sciences sampling routine, we selected a simple random sample for each center of reported job training matches that we classified as questionable. The populations and sample sizes in this category for the five centers are shown in table I.2.

Table I.2: Population and Sample Sizes by Center

Job Corps center	Reported job training matches	Questionable matches	Sample size
David L. Carrasco	214	64	38
Edison	229	115	52
Gulfport	215	138	57
San Jose	279	111	54
Westover	369	170	61
Total	**1,306**	**598**	**262**

During our survey, we asked employers to confirm the reported job title, identify the appropriate job title, if different, and describe the primary duties and responsibilities for the job for which the participant was hired. During the summer of 1998, we telephoned the employers for 262 reported job training matches. We made at least three attempts to contact each employer. After repeated calls, we were unable to reach or interview 79 employers. We were able to reach and verify job information for the 183

[12]Because the Memphis Job Corps Center had recently opened, we did not review any information on participant outcomes.

other sample cases. Of these, 164 remained questionable after the discussion with the employers, and the remaining 19 were moved to the "good match" category.

Given the results of our survey, we adjusted the number of questionable reported job training matches at each of the five centers as shown in table 1.3.

Table 1.3: Percentage of Questionable Job Training Matches at Five Centers Adjusted for Sample Results

Job Corps center	Reported job training matches	Adjusted number of questionable matches	Percentage questionable (sampling error %)
David L. Carrasco	214	56	26 (3)
Edison	229	106	46 (3)
Gulfport	215	134	62 (3)
San Jose	279	98	35 (4)
Westover	369	147	40 (4)
Total	**1,306**	**541**	**41 (2)**

All sample surveys are subject to sampling error—that is, the extent to which the results differ from what would be obtained if the whole population were administered the survey. Because the whole population was not surveyed, the true size of the sampling error cannot be known. However, it can be estimated from the responses to the survey. The estimate of sampling error depends largely on the number of respondents and the amount of variability in the responses. For this effort, center-level sampling errors were 3 to 4 percentage points with an overall sampling error of plus or minus 2 percentage points at the 95-percent confidence level.

National and Regional Job Corps Offices

We interviewed Labor officials at both the national and regional offices to obtain an overview of the vocational contracting process and information about initiatives to improve the relationship between Job Corps vocational training and employers' needs. We also collected information on the contracting process, including information on the sole source procurement of national training contracts.

Data Supporting Report Figures

Table II.1: Reported and Full Completion Rates for Vocational Training Nationwide and at Five Centers for Program Year 1996

Vocational training program	Vocational completers completing only one component of training
Auto repair	23%
Building and apartment maintenance	38
Carpentry	79
Clerical	67
Electrical	70
Food service	47
Health occupations	15
Welding	29

Note: These are data for figure 1.

Table II.2: Reported and Full Completion Rates for Vocational Training Nationwide and at Five Job Corps Centers for Program Year 1996

	Percentage of participants		
Center	Vocational completers	Full completers	Partial completers
National	48%	14%	34%
Center A	73	27	46
Center B	65	11	54
Center C	45	20	25
Center D	44	22	22
Center E	41	13	28

Note: These are data for figure 2.

Table II.3: Reported and Questionable Training-Related Job Placement Rate at Five Job Corps Centers for Program Year 1996

Job Corps Center	Jobs reported as training-related	Training-related jobs that are questionable
A	64%	26%
B	69	35
C	68	40
D	55	62
E	58	46

Note: These are data for figure 3.

Comments From the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

SEP 25 1998

Ms. Carlotta C. Joyner
Director of Education and Employment Issues
Health, Education and Human Services Division
United States General Accounting Office
441 G Street, NW, Room 5942
Washington, DC 20548

Dear Ms. Joyner:

We appreciate the opportunity to provide comments in response to your draft report to the Chairman, Subcommittee on Human Resources, House Committee on Government Reform and Oversight, entitled "Job Corps: Links with Labor Market Improved But Vocational Training Performance Overstated." In the response that follows, we address the major issues and recommendations identified in the draft report.

We are particularly pleased that Job Corps' efforts to increase the effectiveness of its vocational training through improved employer and community linkages are noted in your report. We are continuing these efforts and expanding them nationally, regionally, and locally.

Now on p. 3.
Now on p. 11.

We are concerned with your finding in both the Results in Brief section (pages 3-4) of the draft report and the discussion which begins at the top of page 14 that the Job Corps program overstates program success for two performance measures: vocational completion and job training match. At the outset, let me emphasize that it has never been our intent to overstate Job Corps program performance in any area. We place strong emphasis on performance results, data integrity and credibility and therefore are concerned about the findings contained in the report. Job Corps is a results oriented program and we are continually seeking input and insight from others on how we can improve the program, the measures of performance, and the quality of the data. It is in this spirit that we are reviewing your findings.

Vocational completion is one of nine measures of performance for which Job Corps centers are held accountable. I appreciate the opportunity to clarify Job Corps' current definition of vocational completion, the context for use of that definition, as well as our plans for the future.

In order to guide student instruction and assess student progress, Job Corps develops a Training Achievement Record (TAR), a list of skills for each major vocational program offered at a Job Corps center, such as health occupations, business and clerical, etc. Each vocational program offered at a Job Corps center has several different levels of completion, or step off levels, each of which has been determined by an industry advisory group to be suitable for at least entry level

employment, and each of which is designated on the TAR. Each student who achieves any one of those levels of completion in his/her vocational program is called a vocational completer. The only distinction currently made between levels of completion is between a basic completer and an advanced completer, the latter being those students who achieve all tasks listed on the TAR.

Each TAR is developed with assistance from an Industry Advisory Group (IAG) comprised of employers and Job Corps practitioners. A TAR may include up to and over 100 skill competencies, all of which have been identified and are supported by the IAG. All TARs are comprised of a hierarchial order of occupational areas, each of which relates to a particular vocational field and is a discrete subset of the 100 or more competencies included in the TAR. The number of competencies required for mastery depends on the particular vocational field addressed by the TAR. For example, a student can be classified as a completer on the Automotive Training TAR if he or she masters the subset portion of competencies needed to qualify as a mechanic's helper or brake repair or wheel mechanic. To qualify for these positions, the student does not have to master all the competencies listed in the TAR. These two occupational step-off levels offer very legitimate employment opportunities in the workplace. The advanced completer level, determined by mastery of all competencies on the TAR, is for qualification as a full mechanic to do engine diagnostics, a higher level employment opportunity. These three occupational areas, however, all require skill training and completion of each of these levels is considered an accomplishment for these students, which Job Corps refers to as vocational completers.

In developing the TARS, it was never intended by Job Corps, or the employers on the IAG, that all competencies on a given TAR be mastered by every student in order to be considered a vocational completer who is employable in a given vocational field. In some instances, employers on a given IAG have indicated that it is not necessary to master all TAR competencies in order to obtain a good entry level job and have identified discrete job titles and associated skill requirements toward that end; in others, it is impractical for many students to remain in training long enough to master every skill reflected on the TAR because of immediate employment opportunities or extenuating circumstances such as pressure to return home, parental duties, and pressing financial needs. In addition, Job Corps' identification of several completer levels within a particular vocational program enable Job Corps students to achieve the highest level within that vocational program that they can and consider themselves successful for that achievement.

Job Corps developed vocational completion as one of its performance measures almost a decade ago, and while imperfect, it has served as a significant predicter of student placement rates, job training matches, and average wages. That is, students who are categorized as vocational completers have higher overall job placement rates, higher rates of job training match, and higher average wages.

However, notwithstanding this explanation of Job Corps' current definition of vocational completion and the context in which it was designed to be used, we share the concerns of both the Subcommittee Chairman and the GAO that the terminology utilized to describe the attainment of vocational skills may be subject to misinterpretation. Since that was never our intent, we are assessing the full range of actions we will take in response to the report. We will take immediate action to clarify our definition in all subsequent Job Corps publications, including the forthcoming publication of Job Corps' Program Year 1997 Annual Report.

In addition, based on the perspective gained through the oversight hearing and this draft GAO report, we are reviewing the extent to which the use of the current definition of vocational completion may provide insufficient incentive to some students to obtain the maximum amount of training within that vocational program. In direct response to these issues, we have initiated a comprehensive and detailed analysis of vocational completion, including the time spent on center by students, levels of vocational completion achieved, and incentives provided to students to remain in vocational programs to attain maximum benefit. Where changes to existing TARs are warranted, we will take the appropriate corrective action. In addition, we will develop a more precise and comprehensive description of student completion levels, based on uniform criteria that will allow students to leave Job Corps prepared for viable career paths and long-term employment. We look forward to a continuing dialogue with your staff as we proceed with this effort. We expect this work to be completed by July of 1999. We believe that these actions will result in meaningful changes to the current system of identifying the vocational skill achievements of students, and that they will fully address the recommendation to the Secretary, found on page 25 of the draft report, to "more accurately define and report information on the extent to which program participants complete vocational training ..."

Now on p. 20.

Regarding job training matches (JTMs) discussed on pages 18-22 of the draft report, we too share concerns about the validity of some of the matches identified in the report, and, as we had indicated in an earlier report, have already initiated changes to improve the accuracy of the data for this important performance indicator. Specifically, we are currently changing from a system that involves over 14,000 individual occupational codes, known as the Dictionary of Occupational Titles, to the Occupational Information Network (O*NET) System which has approximately 1,100 codes and is based on an analysis of the skills needed for a variety of jobs within broad categories of occupations. This will make the determination of job training matches more manageable and easier to oversee. The new system is expected to be fully implemented by the close of this calendar year.

Now on pp. 15-18.

In addition, as part of the implementation of the new O*NET system as the basis for the crosswalk between type of training and placement occupation, we are developing more stringent quality control and oversight procedures to preclude questionable matches. We look forward to working in collaboration with the GAO staff on these quality control efforts so we can more fully

benefit from the work your staff has already undertaken. We anticipate that these new controls will be in place by March of 1999. We believe that our decision to implement both the O*NET System and quality control and oversight procedures responds directly to the recommendation to the Secretary, found on page 25 of the draft report, to "develop a more accurate system of reporting training-related jobs and effectively monitor its implementation."

Now on p. 20.

Another major area of concern surrounds the issues raised in the justification for Job Corps' sole source procurement of vocational training with nine (9) labor and business organizations found on page 22. We believe that our investment with these national training contractors (NTCs) is a sound one that greatly benefits the students. These contracts take advantage of national networks available only through unions and homebuilder associations to provide access to both union and non-union jobs, including apprenticeships, in all labor markets. Students leaving NTC programs consistently achieve better outcomes than students leaving non-NTC programs. This is particularly true in the area of wages. Students placed in jobs out of NTC programs for the most recently completed program year (PY '97 -- July 1, 1997 through June 30, 1998) received an average hourly wage of $7.19 compared to $6.49 for those leaving non-NTC provided training, a difference of $.70 per hour. This difference increases to $.87 per hour when considering jobs related to training. Students leaving NTC programs who get jobs related to their training are placed at an average hourly wage of $7.55, compared to $6.68 for students leaving locally provided training. In our judgement, these differences are directly related to the effective, nationwide partnerships that NTCs have with local unions and organizations representing business and industry.

Now on p. 18-19.

In light of the above described performance comparisons, we believe that these types of training programs could not be served as well through locally or regionally competed procurements, as the draft report suggests on page 26. Nevertheless, as part of the Department of Labor's sole source approval process, and in accordance with the Federal Acquisition Regulations (FAR), the Department published, in the Commerce Business Daily on February 17, 1998, an invitation for interested organizations to submit capability statements for the administration and operation of vocational training programs and placement activities currently operated by the NTCs. Interested parties were required to demonstrate their experience in coordinating, monitoring, overseeing and providing the necessary administrative support to effectively deliver these services on behalf of disadvantaged youth. This includes selection, assignment, training and supervision of instructors on a nationwide basis. No capability statements were received.

Now on p. 20.

On May 11, 1998, the Department again published an expanded invitation in the Commerce Business Daily that included information specifically intended to generate substantial interest among qualified vocational training providers: such as total dollar value required for this effort, types of training and the number of centers that provide such training, and the total number of training slots to be delivered. In response to this second invitation, only two firms submitted capability statements, but the Department's Procurement Review Board determined that neither firm had the capacity or experience to form the basis for competitive acquisition. Therefore, the Department decided to proceed with the NTCs on a sole source basis. We feel both the

continued strong performance of the NTCs and the negligible response to the Department's repeated attempts to solicit qualified providers of vocational training services are in keeping with the recommendation, found on page 26 of the draft report, that the Secretary "...properly justify its use of noncompetitive procedures..."

Now on p. 20.

In addition to the above information, the following measures have been taken to further improve and document the performance of NTCs:

(A) Beginning in program year 1998, performance standards for NTCs are higher than those established for other vocational training providers. In comparison to center operated programs, underperforming NTCs have a shorter period of time in which to improve or be dropped.

(B) NTCs are required to provide follow up services, including placement, for up to a year after students have left their programs, and to report this information on a quarterly basis to the Job Corps National Office. An NTC Follow up Workgroup has been formed and meets periodically to review best practices and discuss methods and activities that can improve the delivery of follow up services.

(C) Beginning with the contracts now being finalized, NTCs will be required to report each month on the number of students who are directly placed into jobs and apprenticeships after leaving the program.

There are two points of technical clarification that we recommend, as follows:

Now on p. 8.

(1) On page 10 of the draft report, there is a reference to centers obtaining approval for changes in vocational training programs "... by completing the appropriate paperwork and submitting the request for change to the national office through the regional office." Our current policy in this regard provides authority to the regional offices to approve center vocational changes that do not involve NTCs. Those changes that involve NTCs continue to require Job Corps national office approval.

Now on p. 9.

(2) On page 12 of the draft report, first paragraph, there is a statement that the region is sponsoring the employer involvement initiative and, further, that it was the region that selected the contractor. While we work in close partnership with the regional office on this initiative, it is actually sponsored by the Job Corps National Office, which also selected the contractor through the competitive process.

We appreciate the opportunity to provide comments on the draft report, and in the areas of vocational completion and job training match. We are already using the perspective gained from your report and from the Chairman's recent oversight hearing to carefully examine our current system and make improvements. Our commitment to program results based on accurate, credible data is strong and when we become aware of weaknesses or vulnerabilities, we are

committed to immediate action, which we have begun based on your draft report. The Job Corps staff and your staff already have a follow up meeting scheduled so we can get the maximum benefit from the work they have performed to date.

Again, we also appreciate the acknowledgment of our efforts to strengthen and expand employer and community linkages. We trust that our responses to the issues and conclusions presented in this draft report will be taken into consideration as you develop the final report. If you have any questions, please contact Ms. Mary H. Silva, National Director of Job Corps, on 202-219-8550.

Sincerely,

Raymond L. Bramucci

Raymond L. Bramucci

Appendix IV

GAO Contacts and Staff Acknowledgments

GAO Contacts

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Acknowledgments

In addition to the contacts named above, the following persons made important contributions to the report: Barry Bedrick, Robert Crystal, Wayne Dow, Christopher Galvin, Sylvia Shanks, and Christine Shine.

Related GAO Products

Job Corps: Vocational Training Performance Data Overstate Program Success (GAO/T-HEHS-98-218, July 29, 1998).

Job Corps: Participant Selection and Performance Measurement Need to Be Improved (GAO/T-HEHS-98-37, Oct. 23, 1997).

Job Corps: Need for Better Enrollment Guidance and Improved Placement Measures (GAO/HEHS-98-1, Oct. 21, 1997).

Job Corps: Where Participants Are Recruited, Trained, and Placed in Jobs (GAO/HEHS-96-140, July 17, 1996).

Employment Training: Successful Projects Share Common Strategy (GAO/HEHS-96-108, May 7, 1996).

Job Corps: Comparison of Federal Program With State Youth Training Initiatives (GAO/HEHS-96-92, Mar. 28, 1996).

Job Corps: High Costs and Mixed Results Raise Questions About Program's Effectiveness (GAO/HEHS-95-180, June 30, 1995).

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